

Tab A

EMPLOYMENT OF CONSULTANTS1. PROBLEM

Review the procedure and controls relating to the appointment and payment of consultants to determine whether they are adequate and make any recommendations needed to strengthen them.

2. FACTS BEARING ON THE PROBLEM

a. Present Agency regulations [REDACTED] provide that:

- (1) Consultants are individuals with unusual skills, knowledge, or experience who are hired by the Agency in an advisory capacity; they may not serve in a supervisory or administrative capacity except as incidental to their advisory functions.
- (2) Deputy Directors shall determine the need for consultants within their jurisdiction and submit requests for employment of specific consultants to the Director of Personnel.
- (3) The Office of Personnel shall maintain central records of consultants employed by the Agency. The Office of Personnel shall be contacted, before any approach is made to an individual, to determine if the Agency already has a person qualified for the new requirement and, if so, it shall arrange for the joint use of the individual, providing he is available and the Director of Security concurs.
- (4) The Director of Personnel shall review individual requests for employment of consultants and submit recommendations to the Director of Central Intelligence (DCI) for final approval.
- (5) The DCI shall grant final approval for the employment of specific individuals as consultants.

b. After the DCI approves the employment of an individual as a consultant, security clearances and certifications relative to conflict of interest are obtained.

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- c. When security clearances and conflict of interest certifications are favorable, the Office of Personnel requests the individual to sign a personal service contract and an appointment affidavit. A personnel action is then prepared and authenticated which formally appoints the individual as a consultant except that instead of issuing personnel actions for some individuals engaged as consultants who are receiving Federal retirement benefits, their services are contracted for as "independent contractors" on a "per consultation" basis to avoid the necessity for reductions in their retirement annuities (see General Counsel Opinion 9-1136, dated 21 July 1959, Subject: Employment of Intermittent Consultants (copy attached)).
- d. Agency regulations also require that Deputy Directors review annually, during the month of May, the use and frequency of use of individual consultants under their jurisdiction and make recommendations for the retention or termination of individual consultants. Regulations are now being revised in conformance with the requirements of a Presidential memorandum dated 9 February 1962 in regard to the time limitations on appointments of consultants and the matter of conflict of interest.
- e. The number of consultants employed by the Agency as of 1 July 1962 within each major component and the first organizational level below that of major component is shown below:

Office of the Director
Deputy Director (Support)
Office of Training
Deputy Director (Plans)
Development Projects Division
Technical Services Division
Deputy Director (Intelligence)
Office of Current Reports
Office of National Estimates
Office of Operations (Contact Division)
Office of Research and Reports
Office of Scientific Intelligence

Total



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- f. Some consultants are paid from vouchered funds and some are paid from confidential funds. Basically the procedures are as follows:
- (1.) After a consultant has been used a duty status report is prepared showing the dates for which payment is requested. The following certification, over the signature of the consultant, is either typed, rubber stamped, or stapled to the performance report:

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"I certify that for the days covered by this report, during which I was employed, I have not received nor will I claim compensation from any other Government agency."

- (2) Agency regulations do not specifically call for any approval of claims for payments to consultants. For consultants paid from vouchered funds, claims are approved by the time and attendance clerk for the component to which the consultant's pay will be charged. Claims for consultants paid from confidential funds are approved at various organizational levels, such as by the Chief of Branch or his Deputy, the Case Officer, Personnel Officer, Administrative Officer, or secretary to the Chief of Division.

3. CONCLUSION

Agency procedures relative to the employment and payment of consultants appear adequate except for the absence of a regulatory requirement providing for approval of claims for payment covering the utilization of consultants. It is believed that in order to assure appropriate evaluation of the utilization of the consultants, claims for payments should be approved by the Operating Official of the component concerned.

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